

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0562-02
Bill No.: SB 75
Subject: Attorney General, State; Auditor, State; Campaign Finance; Elections; Ethics;
General Assembly; Governor & Lt. Governor; Treasurer, State
Type: Original
Date: March 24, 2011

Bill Summary: This proposal modifies the law relating to campaign finance, lobbying and ethics.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$15,120)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$15,120)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 8.925 No solicitation on government property

Officials at the **East Central College, Fair Grove R-X School District, Lincoln University, Linn State Technical College, Metropolitan Community College, Missouri Southern State University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Office of Prosecution Services, Office of the State Courts Administrator, Office of the State Public Defender, Parkway School District, St. Louis County, St. Louis Public Schools** and the **University of Central Missouri** assume that there is no fiscal impact from this proposal.

Officials at the **City of Kansas City** assume this proposal would have a negative fiscal impact on Kansas City as the City has in the past leased convention space for political events and rallies. The fiscal impact is a large negative unknown.

Oversight will show the loss to local governments as zero to unknown.

Sections 105.450, 105.456 & 105.465 New Prohibitions

Officials at the **Missouri Ethics Commission (MEC)** assume the proposed legislation with an estimated fiscal impact includes 1) defines "paid political consultant 2) defines additional conflict of interest prohibitions 3) prohibition of acceptance of any thing of value by any public official or employee 4) prohibition of a member of the general assembly from becoming a lobbyist for a specific time period. The implementation of these responsibilities would require the following additional resources:

Two Business Analysts to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business analyst would review lobbyist reports, committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently the MEC receives approximately 11,000 campaign finance reports annually.

Increases in investigations and oversight, beyond the MEC's current duties, would require the addition of one Investigator Supervisor and one Staff Attorney. Currently one supervisory staff oversees all investigations, filing of 11,000 campaign finance reports, 15,852 monthly lobbyist reports, 8,500 personal financial disclosure reports, registering 1,000 lobbyists, education and outreach.

ASSUMPTION (continued)

This proposal prohibits an individual from becoming a paid political consultant. **Oversight** assumes that the once candidates and elected officials are informed of the new requirements they will comply with the provisions. Due to the limited number of non-compilers, MEC should be able to handle the review of the files with existing staff.

Oversight assumes that the proposed changes in section 105.452 prohibits certain elected officials from registering as a lobbyist. It is unclear if the change would increase or decrease the number of individuals filing lobbyist reports. **Oversight** assumes the MEC should be able to absorb the cost of this proposal.

Oversight can absorb the duties of this proposal with existing staff. Should MEC experience a measurable increase in its workload as a direct result of this proposal then it can request additional FTE in future budget requests.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2010 average \$16,397 per inmate, per day or an annual cost of \$5,985) or through supervision provided by the Board of Probation and Parole (FY 2010 average \$3.92 per offender, per day or an annual cost of \$1,431).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Section 130.032 Contribution Limits

Officials at the **Missouri Ethics Commission (MEC)** assume this proposal implements campaign finance limits. MEC would need \$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the Missouri Ethics Commission did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations due to the limits being reimposed. **Oversight** assumes this proposal has no fiscal impact on the Missouri Ethics Commission.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost</u> - one time computer upgrades	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2012 (10 Mo.)	 FY 2013	 FY 2014
LOCAL GOVERNMENT FUNDS			
<u>Loss</u> - rental income (8.925)	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The act bars political fund-raising activities to be held in buildings owned by the state or political subdivisions.

Statewide elected officials and legislators shall not campaign for other statewide elected officials or legislators or act as a paid political consultant for another statewide elected official or legislator or for a campaign committee, candidate committee, political action committee, or political party committee.

Legislators shall not lobby until two years after leaving office.

Those who offer anything of value to any elected or appointed public official or employee of the state in exchange for an action affecting legislation or rule-making and those who accept such value in such instances are guilty of a Class D felony.

This act establishes campaign contribution limits for individuals and political party committees. The limits are as follows for contributions made by or accepted from any person other than the candidate in an election:

- \$2,000 for Governor, Lieutenant Governor, Secretary of State, Treasurer, Auditor, or Attorney General.
- \$1,000 for Senators.
- \$500 for Representatives.
- \$325 any other office, including judicial office, if the population of the area is under 100,000.
- \$650 any other office, including judicial office, if the population of the area is between 100,000 and 250,000.
- \$1,275 any other office, including judicial office, if the population of the area is over 250,000.

The limits are as follows for contributions made by or accepted from a political party committee in an election:

- \$2,000 for Governor, Lieutenant Governor, Secretary of State, Treasurer, Auditor, or Attorney General.
- \$1,000 for Senators.
- \$500 for Representatives.
- 10 times the allowable contribution limit for any other office.
- 50% of the amount of the allowable limit in unopposed primaries.

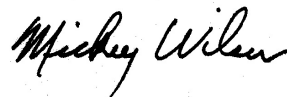
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FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Kansas City
Department of Corrections
East Central College
Fair Grove R-X School District
Lincoln University
Linn State Technical College
Metropolitan Community College
Missouri Ethics Commission
Missouri Southern State University
Missouri State University
Missouri Western State University
Northwest Missouri State University
Office of Prosecution Services
Office of the State Courts Administrator
Office of the State Public Defender
Parkway School District
St. Louis County
St. Louis Public Schools
University of Central Missouri



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Director
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